

## **STATE CAPITOL COMMITTEE**

### **DECEMBER 11, 2014**

#### **1063 BLOCK REPLACEMENT PROJECT – Status Update**

Purpose: Information

#### **BACKGROUND**

The 2013 Legislature initiated the 1063 block replacement project through an appropriation to the Department of Enterprise Services in the capital budget for the 2013-15 biennium (Sections 1109 and 7014, Chapter 19, Laws of 2013, 2013 2<sup>nd</sup> Special Session). The project's purpose is:

- Develop a state-owned facility as a model of high-performance and energy efficiency.
- Establish an efficient office building in Olympia for executive and legislative agencies.
- Improve the gateway to the state's Capitol Campus.
- Replace an existing state-owned building at 1063 Capitol Way South in Olympia, which is more than 80 years old and at the end of its useful life.

#### **STATUS**

Enterprise Services began staffing and preparation for the project in July 2013. As a result of a two stage Request for Qualifications/Request for Proposals (RFQ/RFP) process, three finalist Design-Build teams submitted proposals for the project on February 20, 2014. Since that time, Enterprise Services completed or is in the midst of executing the following activities for the project:

- Signed a phased contract with the Sellen/ZGF team and in late June issued Notice to Proceed #1 for design services only. Demolition and construction work is contingent on funding by the 2015 legislative session.
- Completed a scope validation review of the winning design submittal with input from tenant groups and other internal stakeholders
- Purchased the alleyway bisecting the project site from the City of Olympia.
- Presented the design to the Capitol Campus Design Advisory Committee (CCDAC) at their recent September meeting and received comments.
- Presented the design to the City of Olympia's Design Review Committee in late September and received their comments on an advisory basis.
- Continued investigations into the capacity of the overall Capitol Campus parking resource and 1063's projected impacts on future capacity. The final Capitol Campus Transportation and Parking Study was presented at the September 2014 CCDAC meeting.
- Held a public open house on October 30, 2014 to solicit public input and comment on the exterior features of the design.
- Started an interior tenant layout design refinement exercise aimed at more closely meeting the needs of the building's three tenant groups.

#### **NEXT STEPS**

DES plans the following activities for the project:

- Complete interior layout refinement in January 2015.
- Direct the design build team to begin detailed design and document production leading to a 40 percent review milestone set of drawings and specs in late fourth quarter of this year.

- If funded during the 2015 legislative session, secure permits and begin demolition in early summer of 2015.
- Reach substantial completion of the facility in fall of 2017 and begin move in of tenant groups by the end of the year.

#### **ADDITIONAL BACKGROUND**

The [legislation](#) (Sections 1109 and 7014, Chapter 19, Laws of 2013, 2013 2<sup>nd</sup> Special Session) includes:

- Approval of a \$13 million appropriation that is solely for predesign, design, competition honoraria, project management, demolition and other planning activities, including permits. [Notice to Proceed #1 design services will be paid from this appropriation.]

The current budget proviso includes:

- Approval for the state to enter into a financing contract for up to \$69 million to construct a new office building. [However, the sale of certificate of participation bonds is contingent on a lease rate of no more than \$26/square feet. The project is unable to meet this requirement, so funding of construction must be addressed in the next legislative session.]
- The new building must be built using the design build project delivery system, as defined in [RCW 39.10](#), with a guarantee for energy, operations, and maintenance performance.
- The scope of the building shall be between 200,000 and 225,000 square feet of office space, with Washington State Patrol identified as one of the tenants (the apparent successful submittal is 215,000 square feet).
- The 1063 Block project is phase-one of a two-phase process that includes future demolition of the current General Administration Building.

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